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09/643,021	08/21/2000	Colleen Wallace	SCHW-110	8567

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EXAMINER
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LE, DAVID Q

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 01/20/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

**Application No.**

09/643,021

**Applicant(s)**

WALLACE ET AL.

**Examiner**

David Q Le

**Art Unit**

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 20 October 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.  
a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_ 6) ☐ Other: \_\_\_\_\_

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## **DETAILED ACTION**

### ***Examiner's Note***

1. The Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claims, other passages and figures apply as well. It is requested from the Applicant, in preparing the response, to consider fully the entire references as well as the context of all passages in the cited references as potentially teaching all or part of the claimed inventions.

### ***Status of Claims***

2. As per the Amendment filed on October 20, 2003:

**Claims 20-27** were amended and are now numbered 19-26.

**Claims 1-26** remain pending.

### ***Claim Objections***

3. The numbering of claims 20-27 was not originally in accordance with 37 CFR 1.126 which requires the original numbering of the claims to be preserved throughout the prosecution. When claims are canceled, the remaining claims must not be renumbered. When new claims are presented, they must be numbered consecutively beginning with the number next following the highest numbered claims previously presented (whether entered or not).

Misnumbered claims 20-27 been renumbered 19-26. This objection is removed.

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***Response to Request for Reconsideration and Arguments***

4. The request for consideration filed on October 20, 2003 under 37 CFR § 1.111 has been considered but is ineffective to overcome the references. Applicant's arguments with respect to claims 1-26 have been considered but are moot in view of the new ground(s) of rejection. Pertinent issues raised in the remarks have been addressed in the new rejections.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. **Claims 1-7, 14-26** are rejected under 35 U.S.C. 103(a) as being unpatentable over **Millard et al.**, US Patent Publication US 2002/0007335 A1, further in view of **Waite et al.**, **May**, and **Fuller et al.**, US Patents No. 5,103,476, 6,021,492, and 6,216,112 B1 respectively.

As per **claims 1, 19, 20, 21.**

Millard discloses:

A method / apparatus / system for opening an on-line brokerage account (Abstract, Summary of the Invention, Fig 1, 2, associated text; P66, 67, 74, 119), comprising:

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opening an on-line brokerage account for a user based on account information received from the user, the on-line brokerage account having one or more restrictions / providing the user with access to one or more features of the online brokerage account (P67, 119);

generating an application based on the account information (P67, 129, 136-137);

requesting that the user submit required information with the application to remove the one or more restrictions from the on-line brokerage account (P74, 125, 138); and

removing said one or more restrictions from the on-line brokerage account when the application including the required information is received / if the application is approved (P120, 125: "changing member status"; Fig 2, associated text).

Millard does not explicitly disclose a system wherein interested customers provide partial signup information to obtain access to a restricted set of the product/service features, this during a finite period of time, and wherein users interested in obtaining access to the full features of the system must provide more complete personal/financial signup information; if such additional information is not provided within the trial period, the user will be denied further access to the system, even to the limited features initially provided. Nor does Millard specifically disclose that users have to supply information "within a predetermined time" in order to continue using this limited feature set of his system.

However, as shown in the above citations, Millard clearly discloses that his invention can be set up so that (1) different levels of services may be provided to different users, depending on the signup information submitted by the users (P. 66, 67, 74, 119); and (2) certain features or privileges of the service provided can be disabled after pre-determined time periods (P132-134).

Also It is also well known in the art that many businesses – whether of the traditional "brick-and-mortar" type or online – provide "trial-basis" or "test-drive" use or access to their products or services, to allow customers to sample, learn, and get to like the product or service, before requiring the user to pay for the product or service. Such trials typically are provided with minimal or limited access to the product/service, free of charge, during a small, finite period of time (30 days or less) in exchange for limited, minimal signup requirements from interested users. Once the trial period is over, unrestricted, payment-based access to the full-featured product/service will be available, this time in exchange for payment, credit, or billing arrangement. Failure to sign up for the full, for-pay product/service will result in the test or trial access being discontinued.

Following are prior art showing products/services provided on a trial-basis depending on information initially provided by a potential user:

Waite: Abstract; Summary of the Invention; Col. 3, lines 4-8 (no cost trial-basis use).

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May: Abstract; Summary of the Invention; Fig 10-15, associated text; Fig 14: "Set Access Level" (a limited feature offering); Fig 15: "Cancel Access" (a denial of continued access); "Request Additional Use?" (a request for additional information input).

Fuller: Abstract; Summary of the Invention; Col. 1, lines 22-26 (limited time trial-basis use).

Therefore, it would have been obvious to one ordinarily skilled in the art at the time the invention was made to add to Millard's system a trial-basis capability, in order to acquaint potential users with some of the features of the service initially, and then require payment or further information from the user before the trial period expires, once the decision to buy has been made by the user. Such trial-basis feature would be sure to expose more potential users to the system's capabilities, will result in increased sales for the system operator, and will meet all the corresponding limitations of claim 1.

As per claim 2.

Millard further discloses

...the one or more restrictions comprise one or more of preventing the user from trading securities, preventing the user from funding the brokerage account, and preventing the user from obtaining real time stock quotations (P119).

As per claim 3.

Millard further discloses

assigning the user an account identifier to the on-line brokerage account;  
assigning the user a password to access the on-line brokerage account; and  
sending the account identifier and password to the user (P138, 140, Table 1).

As per claim 4.

Millard further discloses

the required information comprises one or more of a signature of the user and funding for the on-line brokerage account (P129, 142: "funding").

As per claim 5.

Millard does not specifically disclose

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closing the on-line brokerage account if the application including the required information has not been received within the predetermined time.

However Millard teaches that users are expected to perform certain actions within reasonable time periods (7 days), failing which certain privileges or available features would be canceled (P132-134). And May (Abstract; Summary of the Invention; Fig 10-15, associated text; Fig 15: "Cancel Access" discloses a denial of continued access when no further commitment/information is provided by the user.

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that a system based on Millard, Waite, May and Fuller will be set up to cancel a temporary account in case required information fails to be supplied within a predetermined time. This will avoid carrying non-paying customers for longer than necessary, thus minimizing the system operator's expenses.

As per claim 6.

Millard further discloses

opening the on-line brokerage account comprises the step of allowing the user to access one or more selected features of the on-line brokerage account (P67, 74, 119).

As per claim 7.

Millard does not specifically disclose

the one or more selected features of the online brokerage account include one or more of research on securities, and set up awatchlist.

However research and setting up a watchlist are activities that do not actually involve any actual trading of securities, and typically are good demonstrations of a system's capabilities for users wanting to "check out" a new brokerage service. Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made to provide these features to users testing out the system, for the purpose of giving them an incentive to commit to using it in the near future.

As per claim 14.

Millard does not specifically disclose

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sending the user a reminder to submit the required information with the application within the predetermined time, when the required information with the application has not been received within a second predetermined time.

However it would have been obvious to one ordinarily skilled in the art at the time the invention was made to include such a reminder step, because this would be a good business practice, in order to give a prospective potential customer every possible opportunity to complete his application and become a paying customer.

As per claim 15.

Millard further discloses

receiving the application including a portion of the required information; and requesting the user submit a remaining portion of the required information (Fig 2, steps 210, 215, 220, 225, associated text).

Millard doesn't specifically recite that the user has to provide such additional information "within a second predetermined time". However, as analyzed in claims 1 and 5 above, Millard in view of Waite, May and Fuller teaches that users of his system are expected to perform certain actions within reasonable time periods (7 days), failing which certain privileges or available features would be canceled (P132-134). Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made a system as taught by Millard, Waite, May and Fuller would be set up to cancel a temporary account in case required information fails to be supplied within a predetermined time. This will avoid carrying non-paying customers for longer than necessary, thus minimizing the system operator's expenses.

As per claim 16.

Millard does not specifically disclose

receiving the application including a portion of the required information; and closing the on-line brokerage account.

However it would only be common sense and obvious that if an application is incomplete – and remains incomplete after reasonable delay has expired – then the account should be closed. This would be because the user either is no longer interested or cannot supply the required information, and



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as such, it makes no business sense for the system's operator to continue to allow free use of whatever features were granted upon signup.

As per claim 17.

Millard further discloses

the step of. verifying the account information received from the user; and  
verifying the required information received from the user (P151-160).

As per claim 18.

Millard does not specifically disclose

closing the on-line brokerage account when one or more of the account information and the  
required information is invalid. But he describes in detail checking validation of input data (P151-160).

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that should an application show invalid data and such data does not get corrected in a timely period, then the account should be closed, because there is a risk that the user maybe making up and submitting fraudulent data. An account such as that, of course would be highly undesirable to the system's operator as well its other clients.

As per claim 22.

Millard discloses all the limitations of claim 22 (see all above citations, Fig 1, associated text),  
including this further limitation:

forwarding of a pre-filled-in formal account application form to the client for the opened on-line  
brokerage account (Fig 4A-B, P144-147).

As per claim 23.

Millard in view of Waite, May, and Fuller discloses all the limitations of claim 23 (see all above  
Millard citations) including:

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a central server ... including a customer and account database and an event table in which the account information and other information related to the on-line brokerage account can be maintained (Fig 1, associated text; P67, 142, 144-145, 156, 162, 168, 181, 185, 187).

As per claim 24.

Millar further discloses

an archive repository where copies of the pre-filled-in application form and related documents can be stored (see above citations).

As per claim 25.

Millard in view of Waite, May, and Fuller discloses all the limitations of claim 25 (see all above Millard citations) including:

...electronically present to the client in a non-alterable format a filled in application for the on-line brokerage account, and a click-through agreement setting forth the terms of the on-line brokerage account (Fig 2, associated text, P138: "terms of use").

As per claim 26.

Millar further discloses

..an electronic archive in which the nonalterable, filled in application for the on-line brokerage account, the click-through agreement, and the information related to the formal review of the client and application for on-line brokerage account can be stored (Fig 1, associated text; P67, 142, 144-145, 156, 162, 168, 181, 185, 187).

7. Claims 8-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Millard, Waite, May, and Fuller, and further in view of Magary et al., US Patent Publication US 2001/0056387 A1.

As per claims 8, 11.

Millard in view of Waite, May, and Fuller discloses all the limitations of claims 7 and 1. The references are also silent on checking for compliance with SEC regulations.

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Magary teaches that the SEC requires that users consent to specific rules regarding the delivery of electronic financial transactions (Magary: P18), and that such consent must be specifically provided by users before accounts may be fully activated.

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that any new account would have to conform to this and/or any other applicable SEC regulation. As such, a system as envisioned based on Millard, Waite, May, and Fuller would have to include this feature taught by Magary, in order to provide compliance with the SEC rules and regulations:

reviewing the account information received by the user for compliance with rules and regulations of the Securities and Exchange Commission; and

denying approval of the application to open the on-line brokerage account when the account information fails to comply with the rules and regulations of the Securities and Exchange Commission.

As per claims 9, 10, 12.

Millard in view of Waite, May, and Fuller and further in view of Magary discloses all the limitations of claims 8.

Millard in view of Waite, May, and Fuller discloses all the limitations of claims 5, and 11.

Millard further discloses that users of his system are notified when their account application has been reviewed and approved after the information supplied has been verified (Millard: P149).

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that if an account was not approved for full activation, the following steps would inherently be taken, in order to fully appraise the user of his application's status:

notifying the user that the application to open the on-line brokerage account has been denied [claims 9, 12];

Once an account has been denied for permanent activation, it would have been obvious to one ordinarily skilled in the art at the time the invention was made to stop allowing the user to continue using the features available at signup, this for the purpose of discouraging users from signing on and not fully committing to the service by fulfilling all required obligations:

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revoking access by the user to the one or more selected features of the on-line brokerage account [claims 9, 10, 12].

As per claim 13.

Millard in view of Waite, May, and Fuller and further in view of Magary disclose all the limitations of claim 11.

Millard further teaches that a user's status may be changed upon providing additional information to the system administrator (P128).

Therefore, should an account be denied on first review, it would have been obvious to one ordinarily skilled in the art at the time the invention was made that a good business practice would be to ask the user to provide additional information, in case this new information may enable approval, thereby gaining a future paying customer for the system:

notifying the user that the application to open the on-line brokerage account has been denied; and requesting the user provide additional information for the application to open the on-line brokerage account to be approved.

### ***Conclusion***

8. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

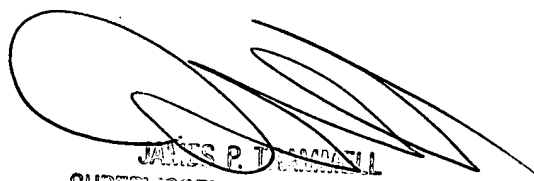
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Any inquiry concerning this communication or earlier communications from the examiner should be directed to David Q Le whose telephone number is 703-305-4567. The examiner can normally be reached on 8:30am-5:30pm Mo-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on 703-305-9768. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

DQL



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